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 FEDERAL COMMUNICATIONS COMMISSION
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2. CUI, based in Ketchikan, Alaska, is a Commission licensee which has been operating in full compliance with the Rules since CUI's inception seven (7) years ago as a two-way radio sales and service dealer. CUI holds licenses for various two-way radio and paging facilities in rural Southeastern Alaska. CUI is the only operating SMR provider in the Ketchikan, Alaska service area, which is, outside the coastal city with a population of 14,000, sparsely populated and has mountainous terrain. CUI provides critical communications services to this area which, for the most part, lacks adequate wireline telephone facilities.

3. CUI primarily services three types of 800 MHz SMR customers: public safety entities, logging camps and local commercial entities. CUI's two-way radio and paging operation is critical to the communities which it services. CUI coordinates essential communications of police, fire and emergency rescue operations in Southeastern Alaska region.

4. CUI's approximately 150 SMR mobile and portable radios are used to direct emergency personnel to remote areas in rugged terrain. These 800 MHz radios are reliable for these critical operations because of their strong signal which does not fade as the radios are used in the mountains or near high concentrations of mineral deposits which often cause interference for CUI's UHF radio operations. CUI also provides pagers to logging camp

facilities, pulp mills and remote fisheries so that, in the event of an emergency, customers can use their pagers to alert CUI to key up the CUI 800 MHz SMR system to send emergency personnel, via motor vehicle or medivac helicopter, to the exact coordinates of the customer's location. CUI is also the only provider of commercial SMR service in the Ketchikan, Alaska service area.

5. CUI's present service area includes four transmitter locations which cover approximately 100 miles of territory in the South Eastern Alaska region. The growing commercial and tourist industries, as well as the modestly growing population, have increased the need for CUI's emergency and commercial 800 MHz SMR service. CUI has licenses pending at the FCC for several new 800 MHz trunked SMR facilities (as well as for associated VHF radio and paging facilities) which will extend its service area approximately 300 miles north of Ketchikan to Juneau, Alaska.

6. While CUI's small business is enjoying a growth period, CUI stresses that the increase of about 35 mobiles units over the past several years is nominal compared to the expansion of SMR systems in the contiguous United States.

7. The Commission's proposal to restructure the 800 MHz SMR band into two disparate categories, which are licensed differently and have differing opportunities for system growth,

will have a severe, negative impact on small 800 MHz operators such as CUI. CUI fears that the Commission's proposal to divide the 800 MHz SMR spectrum into two bandwidths, 200 channels for nation wide, enhanced SMR use and 80 channels for dispatch use, will seriously interfere with CUI's ability, as well as the ability of all small dispatch SMR operators, to provide effective and reliable SMR service to their customers.

8. CUI is primarily concerned that, if it is forced to relocate its stations to different channels, critical emergency communications will be preempted, delayed and inefficient during the transition period. CUI's provision of continuous, 24-hour emergency service communications for its customers is, in many instances, the only form of emergency communication for CUI customers. The Commission has not offered any systematic plan for the smooth transition of SMR dispatch users from their operation on their presently licensed 800 MHz frequencies and associated equipment to new facilities. For this reason, reallocation of this type is clearly not in the public interest.

9. CUI also foresees that large, nationwide competitors, licensed on blocks of 800 MHz spectrum, could cause an artificial spectrum shortage that would prevent local SMR operators from expanding their systems. The Commission's proposal, in effect, limits non-nationwide, dispatch SMR operators to the "lower 80" channels of the 800 MHz SMR band.

CUI is already aware of the proliferation of applications filed for "lower 80" channels in the Ketchikan area (as well as many other areas of the country) by "application mill" speculators who, CUI believes, have no intention of actually operating systems in Ketchikan.

10. Although CUI presently has adequate spectrum available to it in the CUI services area, CUI realizes the negative impact that the warehousing of spectrum by nationwide SMR operators could have on dispatch operators across the country who wish to expand their systems to accommodate a growing customer base, but cannot expand because there are only 80 channels available for dispatch use. There was no provision in the Commission's proposal which addressed any opportunity for small, dispatch SMR operations to expand after the 80 SMR dispatch channels are depleted in a given area.

11. According to the proposed changes to the Commission's rules, 800 MHz nationwide operators will be licensed for exclusive blocks of spectrum that cannot be used by any other operator, even if the nationwide SMR operator does not choose to operate its system in a given community. Again, CUI has enough channels at present to meet the needs of its customers, but fears for the livelihood of its dispatch compatriots across the country who face the possibility of being relegated to a bandwidth which is one-third the size of the present SMR

bandwidth, and which does not appear to afford any opportunity for system growth.

12. The reallocation to different SMR channels is not only limiting to dispatch operations, it is also very expensive. The FCC's proposed changes in the rules do not provide for remuneration to displaced SMR operators who would be relocated from their present, licensed systems to the "lower 80" channels at the convenience of the larger, nationwide competitors.

13. CUI has invested substantial sums in establishing its fledgling, community-based SMR operation, which has been tailored to meet the needs of its various customers and to operate in the unique terrain of Southeastern Alaska. For example, CUI has prepared numerous geographic surveys to select sites which have specific mileage separation and offer the lofty antenna heights which are necessary to bypass natural interference created by high concentrations of mineral deposits.

14. CUI has also conducted many frequency searches to select 800 MHz trunked SMR channel blocks which are a minimum of one megahertz apart (i.e., 861-865.0625 MHz) at each location and which are not repeated at any other CUI location (the valleys between the mountainous transmitter sites cause the frequency transmissions to travel much further than 70 miles, which is standard for level terrain). CUI needs substantial

channel flexibility to operate an efficient and effective system, and it has invested thousands to design and equip this system. For these reasons, it is inconvenient and expensive for CUI to relocate its system to the "lower 80" channels. CUI also fears that, if the Commission's proposal is adopted, dispatch operators such as itself might lose the channel flexibility it needs to effectively operate.

15. The inconvenience and expense of the Commission's proposal is exacerbated by the fact that a nationwide SMR competitor, licensed on blocks of 800 MHz SMR spectrum across the country and including Southeastern Alaska, would probably not want to construct a system in the Ketchikan, Alaska area due to the region's sparse population and geographic composition. The Commission's proposal indicates that all dispatch users will have to relocate in order to clear the "upper 200" channels for nationwide use. This is not fair to small dispatch operators who are operating in good faith and seek to provide SMR service to rural communities which are most likely not financially desirable to the larger, enhanced SMR operator.

16. The Commission's proposal to restructure the allocation procedures governing 800 MHz SMR spectrum to create two disparate bandwidths and to force local, dispatch SMR operators to relocate their systems to the "lower 80" SMR channels is

unfair, impractical and antithetical to the Commission's objective of serving the public interest. CUI requests that the Commission review its proposal with respect to the impact it would have on local, dispatch SMR systems.

17. For the foregoing reasons, the Commission's proposal to reallocate 800 MHz SMR spectrum on a nationwide and local service basis should not be adopted.

Respectfully Submitted,
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